

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 9, 2013

TO: Honorable Juan Hinojosa, Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1383 by Hancock (Relating to requiring municipalities to provide compensation for certain signs required to be relocated due to road construction.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to provide that a municipality that is required to remove a sign by the Texas Department of Transportation (TxDOT) for road construction must pay just compensation to the owner or the lessee of the real property on which the sign is located. A sign located in the extraterritorial jurisdiction of a municipality is considered located in the municipality.

According to TxDOT, the department's policy considers a billboard as personal property that would qualify for reimbursement of reasonable and necessary moving expenses, and replacement location searching expenses such as time, meals and lodging. Searching expenses are capped at the current federal maximum benefit of \$2,500 for this category, while moving expenses do not have a cap provided expenses are reasonable and necessary. TxDOT indicates there would be a positive fiscal impact for cost savings since a municipality would be required to pay the compensation for sign removal in a municipality with restrictive ordinances.

Local Government Impact

There could be costs to a municipality that would be required to pay just compensation to an owner or lessee for a sign removal; however, the amounts would vary depending on the number of instances signs are ordered to be removed by TxDOT and the costs for the compensation.

The City of Waco anticipates no significant fiscal impact based on a review by the city's Engineering and Traffic Departments.

Source Agencies: 601 Department of Transportation

LBB Staff: UP, KKR, SD, TP